

## DISCIPLINARY REPORT

November 15, 2012

**AB 10-61, AB 10-62, AB 10-63, AB 10-64** On September 20, 2012, the Board adopted the recommendations of the Administrative Law Judge and suspended the license of Cleabron Pullum for six (6) months. Pullum also must attend training on safeguarding his electronic signature and USPAP.. The violations are: Respondent failed to use due care to safeguard his electronic signature. Respondent communicated a misleading report, did not use recognized methods and techniques in the development of the report, failed to analyze all information necessary for credible assignment results in the preparation of the Sales Comparison Approach and communicated the analysis and opinions in a misleading manner. **Violation: Standards Ethics Rule-Conduct, Rule 1-1(a), 1-1(b), 1-1(c), 1-4(a), 2-1(a), 2-1(d),USPAP 2010-2011 Edition.**

**AB 11-32** On September 20, 2012, the Board approved a Consent Settlement Order for a private reprimand of a Certified Residential appraiser. Licensee agreed to pay an administrative fine of \$1500. The violations are: The Licensee certified that he conducted interior and exterior inspections of the subject and did not. Licensee relied on the measurements made by the Trainee appraiser which were incorrect. This resulted in an understatement of the GLA of the subject by approximately 250 square feet. Licensee reported the subject property was rectangular when it was irregular, that there was an in ground pool when there was not, that the driveway was gravel when it was concrete, that there was 1,183 square feet of basement when there was none. **Violation: Ethics Rule-Conduct, Standards Rule 1-1(b); 1-1(c); 2-1(c), USPAP 2010-2011 Edition.**

**AB 11-43** On September 20, 2012, the Board approved a Consent Settlement Order and ordered a private reprimand to a certified residential appraiser. Licensee must also pay a \$250 administrative fine and attend a 7 hour USPAP course within 30 days. The USPAP course cannot be counted for Continuing Education purposes. These violations are as follows: Licensee made substantial location adjustments for floor location in this condominium appraisal. While an adjustment is indicated from the sales data, licensee adjusted inconsistently for comps located in the same condominium and provided no data to back up the adjustments in the work file. **Violation: Standard Rules 1-4(a), 2-1(a), USPAP 2006 Edition.**

**AB 11-51** On September 20, 2012, the Board approved a Consent Settlement Order suspending the license of Gail D. Carnes, Certified Residential appraiser R00057 for three (3) months. Two months of the suspension are stayed. Licensee must pay an administrative fine of \$1650. The violations are: Licensee communicated a misleading appraisal. There were so many errors in the development of the Sales Comparison and Cost Approach that the value opinion was not credible. Licensee failed to perform the necessary research for the appraisal to be credible. Licensee failed to retain a "true copy" of the appraisal report in the work file. Licensee's copy of the appraisal report was not a

“true copy” of the appraisal report on file with the lender/client. The workshop and greenhouses were not analyzed as part of the amenities in the Cost or Sales approaches. The sale/transfer history of the Subject and comparables was verified using outdated data (*Appraisal dated April 2008 and data source date dated September 2007*). The Cost Approach was developed with outdated cost data (*Appraisal dated April, 2008 and cost data current as of September 2007*). The front porch was not included in the Cost Approach. Physical depreciation was inaccurate because it was calculated from values where Licensee had made the significant errors, including those listed above. Licensee did not consider that the comparables were located in areas superior to the Subject. Licensee did not consider the inferior view of the subject. Quality of construction contained a description of the exterior siding instead of an analysis of the quality. Licensee did not consider Comparable #3’s full unfinished basement. Licensee failed to develop a credible opinion of site value with appropriate method and technique and supported data in the Cost Approach. The Cost Approach was developed with outdated cost data (*Appraisal dated April, 2008 and cost data current as of September 2007*). The front porch was not included in the Cost Approach. The physical depreciation was based on a non credible effective age and an estimate of cost new that was non credible. In the Neighborhood/Built Up section of the report, Licensee indicated the build up was 25%-75%, which was not consistent with the percentage reported in the Neighborhood/Percent Land Use % section. The neighborhood is described as an area of north central Alabama and not a description of the subject neighborhood. Site/Area is inaccurate. Zoning is reported as Residential and legal when the Subject is located in an area of the County that does not have zoning regulations. Licensee did not report that a portion of the site is within a FEMA special flood hazard area. Licensee described remodeling as completed when the workfile does not support that the work was finished. A comment on a photograph of the den explains that remodeling is in progress with workers present at the time of the inspection. The volume of properties offered for sale and comparables sales were misrepresented. The address of Comparable #2 is incorrect. The date of sale for Comparable #4 is incorrect. Licensee stated the pending date and not the sold date. In the Sale/Transfer History section, prior sales/transfers are indicated and in the sales grid Licensee states there were no sales/transfers of the subject. Real estate taxes and special assessments are reported as unknown and the census tract as n/a. The predominant price of homes in the neighborhood is reported as \$125,000 and the value opinion for Subject is \$170,000. There is no analysis to indicate Licensee considered that the Subject was overbuilt. Effective age is reported as 2 years for a 37 year old structure. There is not support in the report for the effective age. The Photograph Addendum contained MLS photos without disclosing that fact. Licensee omitted the workshop, greenhouses and 2 car storage area from the building sketch. Licensee failed to state the reason for the exclusion of the Income Approach. **Violation: Ethics Rule-Conduct; Ethics Rule-Record Keeping; Standards Rule 1-1(a); 1-1(b); 1-4(a); 1-4(b)(i); 1-4(b)(ii); 1-4(b)(iii); 2-1(a); 2-1(b); 2-2(b)(v)(iii); USPAP 2008-2009 Edition.**